

Approved For Release 2003/04/29 : CIA-RDP84-00780R002100170004-9

HANDLE AS: **SECRET EYES ONLY**

REGISTRY -

~~Pls return to Mr. Coffey.~~

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DD/S REGISTRY
Approved For Release 2003/04/29 : CIA-RDP84-00780R002100170004-9
FILE *DM 2-1*
DD/S 68-4781

25 SEP 1968

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Inspector General's Report of Survey of the Office
of Finance

1. This memorandum, for your information, constitutes a status report on actions responsive to the Inspector General's November 1967 Report of Survey of the Office of Finance.

2. Notations on each of the Recommendations follow:

Recommendation No. 1

The Deputy Director for Support cause to be issued a revision of Agency Regulation Organization, Office of Finance, assigning to the Director of Finance those responsibilities and authorities agreed among the Deputy Directors as being properly his, specifically to include financial analysis as one of the principal elements of his mission.

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Action or Comment

The agreed revision of was issued 3 June 1968.

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Recommendation No. 2

The Director of Finance seek the assistance of the Director of Personnel:

a. in exploring with the Heads of other Agency Career Services prevailing practices in accommodating career development programs to the restraints of position and grade ceilings, and

b. in adapting for use in the Finance Career Service those techniques that will permit departure from existing inflexibilities in the Finance career development program.



~~SECRET~~Action or Comment

After review of career development programs of other Agency Career Services, the present Director of Finance has initiated positive action respecting recruitment, training, and rotation and evaluation systems and techniques to ensure development of a flexible Finance Career Service. As an example of his actions, there is attached a copy of OF Notice 6-68, dated 21 June 1968, which established the new SF Career Service Board and Evaluation Panel and a Junior Professional Panel and a broad SF career representation to provide the widest practical participation in career evaluation and management.

Recommendation No. 3

The Deputy Director for Support instruct the Directors of Finance, of Personnel, and of Training:

- a. to review the requirements of the Director of Finance for recruitment of professional employees for the Finance Career Service, and
- b. to submit to the Deputy Director for Support for approval their joint recommendations as to measures necessary for the fulfillment of a significant portion of Finance's requirements for new professional personnel through the mechanism of the Career Training Program.

Action or Comment

Requests have been levied on Director of Personnel and Director of Training for as many as possible, or all, of the annual requirements for professional finance officers to be obtained through the Career Training Program. The Office of Personnel has been provided with qualification criteria and requested to conduct a continuous recruitment program to ensure an adequate supply of qualified finance careerists.

Recommendation No. 4

The Director of Finance, in consultation with the Director of Training, have established, either within the Office of Finance or the Office of Training, a scheduled or

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Approved For Release 2003/04/29 : CIA-RDP84-00780R002100170004-9

tutorial training course designed specifically to qualify a Finance careerist to serve as finance officer of a Class A field station.

Action or Comment

Tutorial training began 15 August 1968. The Office of Finance and the Office of Training are working in developing material to conduct class courses as required.

Recommendation No. 5

The Director of Finance assemble initially and maintain on a continuing basis information on the retirement expectations of all Finance careerists who are in or are nearing the zone of eligibility for optional retirement, making it clear to the employees concerned that the information is needed for orderly personnel planning and not as a means of exerting pressure upon employees to retire earlier than expected under existing Agency policy.

Action or Comment

Comment in DD/S 68-0652 (DD/S memo for Ex. Dir.-Compt., dated 12 February 1968) covered this item.

Recommendation No. 6

The Deputy Director for Support require to be submitted to him for review of and decision between the proposal of the Director of Finance for reclassification of certain positions in the Finance Career Service and the objections of the Director of Personnel to that proposal.

Action or Comment

The present Director of Finance feels that some reorganization of the Office of Finance, with a view to creating a more viable and efficient grouping of personnel, increase utilization of ADP methods, and provide greater flexibility in the rotation of personnel is of higher priority and, when accomplished, may well affect classification determinations. The Director of Finance will, as soon as

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organization relationships are firmed, proceed to obtain appropriate classification action and, if differences with classification arise which cannot be resolved, will request review and support by the DD/S.

Recommendation No. 7

The Director of Finance prepare and submit to the Deputy Director for Support for approval a phased program for broadening the rotational base of the Finance Career Service over the next five years, for providing flexibility to meet contingency requirements, and for ensuring orderly planning and control of the rotational cycle.

Action or Comment

Action is being taken to broaden the rotational base of the SF Career Service by:

- a. Input of high quality junior officers from the Career Training Program and by direct recruitment.
- b. Development of such officers, as well as present officers, through selected training and rotation.
- c. Identifying, and to the extent feasible, terminating the services of unsatisfactory or marginal employees.
- d. Establishment of a Development Component to provide flexibility in connection with the rotation of employees.

Recommendation No. 8

The Deputy Director for Support instruct the Director of Personnel to explore with the Deputy Director for Plans the feasibility of establishing, within the existing framework of the Overseas Candidate Review Panel, a mechanism for re-evaluating the suitability of personnel nominated for assignment to duty as finance officer at a Class B or Class C station--to include a determination that the candidate is or will be properly trained in finance procedures.

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Action or Comment

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Recommendation No. 9

The Director of Finance:

a. Assign to his Chief of Support responsibility, subject to review and concurrence by the Deputy Director of Finance, for planning and administering the rotational program of the Finance Career Service and for supervising those other aspects of personnel management that are commonly delegated to a chief of support.

b. Establish the position of Personnel Officer within the Office of Finance.

c. Request the Director of Personnel to furnish a personnel specialist to fill the position.

Action or Comment

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[redacted] was assigned as Chief of Support, Office of Finance, on 10 June 1968 and has been designated responsibility for planning and administering the rotational program of the Finance Career Service and for supervising other aspects of personnel management commonly delegated to a Chief of Support. [redacted] was chosen for this assignment because we believe he possesses the experience, knowledge, initiative and drive required to assist the Director of Finance in creating a viable flexible SF Career Service. Further consideration will be given to establishing a Personnel Officer position as soon as the new Chief of Support has been in place a sufficient time to properly evaluate the need.

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Recommendation No. 10

The Deputy Director for Support hire on a one-time contract basis a systems expert or experts qualified to make a time, motion, and systems-improvement study on the processing of financial transactions and the keeping of financial records within the Agency.

Action or Comment

In addition to the SIPS-related actions identified in our earlier comment on this Recommendation (DD/S 68-0652), the present Director of Finance points out that individual improvement actions in financial transaction processing and record-keeping are being made on a regular and continuing basis with due attention to necessary controls and checks and balances.

Recommendation No. 11

The Director of Finance re-establish the former Financial Analysis Staff of the Office of the Comptroller by merging the various analytical operations now being performed in the Office of Finance, combining them with the liaison function, and charging the Financial Analysis Staff with responsibility for devising and pursuing an effective financial analysis program.

Action or Comment

This Recommendation was covered in our comment in DD/S 68-0652.

Recommendation No. 12

The Deputy Director for Support prepare and submit to the Executive Director-Comptroller for approval a proposal for the establishment of a CIA Travel Policy Committee, to which should be assigned responsibility for:

- a. ensuring that Agency travel regulations and practices are in accordance with applicable laws and with the implementations and interpretations thereof;

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- b. analyzing Agency practices with respect to travel with a view toward improving efficiency, reducing costs, and eliminating inequities in application of regulations;
- c. providing authoritative guidance, both to the claimant and to those processing the claim, on questions pertaining to travel; and
- d. adjudicating disputed claims.

Action or Comment

The Travel Committee will be announced by Headquarters Notice, a draft of which is attached.

Recommendation No. 13

The Director of Finance:

- a. Direct the Chief, Compensation and Tax Division, to initiate investment action whenever surplus funds exceed \$250,000.
- b. Expedite the issuance of the Office of Finance Instruction prescribing procedures for administration of the fund.
- c. Arrange for an actuarial valuation of the fund with the advice and assistance of Mr. Cedric W. Kroll of the Department of Treasury.
- d. Investigate the feasibility of making secure arrangements with the Department of Treasury for a Special Issue for the CIA fund and report his findings and recommendations to the Executive Director-Comptroller.
- e. Prepare an interim investment program for the guidance of Monetary Division based on the Fiscal Year 1967 15-year Projection of Fund Activity.

f. Prepare a long-range investment program based upon the actuarial valuation recommended in c. above.

Action or Comment

a. The Chief, Compensation and Tax Division, does institute investment action whenever cash available for investment reaches a level of \$250,000.

b. Office of Finance Instruction No. 131, prescribing procedures for administration of the CIA Retirement Fund, was issued on 29 February 1968.

c. Arrangements have been made with Mr. Cedric W. Kroll of the Treasury Department for actuarial valuation of the Fund.

d. The recommendation of the Director of Finance that the Agency continue investing in the open market and not request a Special Issue was approved by the Executive Director-Comptroller on 19 April 1968. This recommendation stemmed from consultation with Treasury Department advisors who strongly recommended against our becoming involved in a Special Issue.

e. An interim investment program was provided the Monetary Division on 28 March 1968.

f. A long-range investment program will be devised consistent with the findings of the actuarial study mentioned in paragraph c. above.

Recommendation No. 14

The Deputy Director for Support instruct the Directors of Finance and Personnel to devise, with the advice and assistance of the Support Information Processing Staff, a single computer program capable of providing all of the statistical information needed for administration of participants in and annuitants of the CIA retirement system.

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Action or Comment

This item was covered in our earlier response (DD/S 68-0652).

SIGNED R. L. Bannerman

R. L. Bannerman
Deputy Director
for Support

4 Atts

Att 1: Cy of OF Notice 6-68, dtd 21 June 68

Att 2:

Att 3: Cy of Memo dtd 25 June 68 for ADD/S fr C/CSPS,
subj: Financial Administration of Class B and Class C
Stations and Bases

Att 4: Cy of Proposed HN, subj: Establishment of a CIA
Travel Policy Committee

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ADD/S:JWC/ms (23 Sept 68)

Distribution:

Orig - Adse, w/Atts

1 - ER, w/Atts

1 - D/F, w/Atts

1 - DD/S Chrono, w/o Atts

1 - DD/S Subject, w/Att 1, Att 2, Att 3 (DD/S 68-3222), Att 4
(DD/S 68-3729)

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4/26

21 June 1968

OFFICE OF FINANCE NOTICE 6-68

SUBJECT : SF Career Service Board, SF Evaluation Panel, and Junior Professional Panel

RESCISSION: Notice, Subject: Designation of Members of SF Competitive Evaluation Panel, dtd 28 Dec 1964

1. The SF Career Service Board is responsible for monitoring the application and functioning of the Agency personnel program as it applies to members of the SF Career Service in accordance with [redacted] The Board will consist of a chairman, four members, and a secretary. The Deputy Director of Finance will serve as Chairman. Two members will be selected from among the senior officers serving in key assignments in the Office of Finance, and the remaining two members will be selected from among the SF Careerists serving in key assignments in other components of the Agency. The Chief of the Support Staff, Office of Finance, will serve as Secretary to the Board. The four members of the Board will be rotated periodically. The Board will meet at the call of the Chairman to develop plans for the management of the SF Career Service, to consider recommendations for promotion, to review competitive evaluations, and to conduct related activities concerning the effective utilization of the SF Career Service personnel resources.

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2. It is the policy of the Agency that promotion of all employees be based upon the competitive evaluation of their performance, qualifications, length of service, and value to the Agency. The SF Evaluation Panel was established to assist the SF Career Service Board in the implementation of this policy for SF Careerists. The Panel consists of a chairman, six members and a secretary. The Chief, Support Staff, Office of Finance will serve as the permanent chairman of the panel, three members will be selected from among the Chiefs or Deputies of Office of Finance components, and three members will be selected from among the senior SF Officers assigned to other components of the Agency. All members will be rotated periodically. The panel will meet at the call of the Chairman to competitively evaluate SF Career employees in grades GS-09 through GS-13 in accordance with criteria approved by the SF Career Service Board. The competitive evaluation lists will be submitted to the SF Career Service Board for approval.

GROUP 1
Excluded from automatic
declassification

S-E-C-R-E-T

SUBJECT : SF Career Service Board, SF Evaluation Panel, and Junior Professional Panel

3. The composition of the SF Career Service Board and of the SF Evaluation Panel, and the provision for rotation of certain members, is designed to obtain as wide a representation as practical of senior SF personnel who have first-hand knowledge of the performance and capabilities of the SF Careerists being evaluated and considered for reassignment and promotion, together with the knowledge of the various finance skills required in the positions to be filled by SF Careerists.

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4. In accordance with [redacted] the SF Evaluation Panel will use the following schedule for the annual competitive evaluation of personnel in grades GS-09 through GS-13:

<u>Grades</u>	<u>Scheduled Evaluation and Promotion Period</u>
GS-09 through GS-11	January through March
GS-12 through GS-13	April through June

The SF Career Service Board will meet at least quarterly. GS-14 SF Careerists will be competitively evaluated by the SF Career Service Board during the month of July.

5. In order to delegate a measure of responsibility for career management to selected mid-level SF Career supervisors, a Junior Professional Panel is established. The Panel will be composed of three supervisory personnel at the grade level of GS-13 or above. It will be convened semi-annually in the fall and in the spring and serve for such duration as determined by the Head of the SF Career Service. The function of the Junior Professional Panel is to insure that the development and promotion progression of all SF Junior Professional personnel at grades GS-06 through GS-08 are reviewed to identify those individuals deserving of advancement, specialized training and consideration for key assignments. The competitive evaluation lists and recommendations of the Junior Panel will be submitted to the SF Career Service Board for approval.

6. Final authority in all SF personnel actions rests with the Head, SF Career Service.

[redacted]
L. E. Bush
Head, SF Career Service

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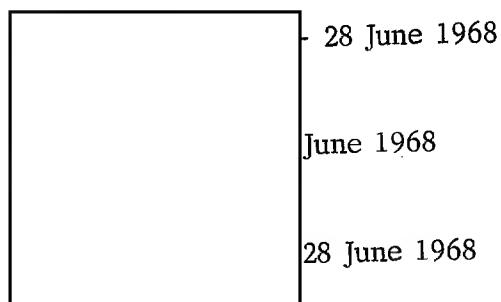
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FOR YOUR INFORMATION

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MR. COFFEY

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55A/DOB 68-1092 3222

DD/5 68 3222

25 June 1968

MEMORANDUM FOR: Assistant Deputy Director for Support

SUBJECT : Financial Administration of Class B and Class C
Stations and Bases

REFERENCE : Memorandum from DDS to DDP dtd 9 February 1968,
Subject: Inspector General's Report of Survey
of the Office of Finance

1. In response to reference this office took the following action to assure that all CS Personnel assigned to positions entailing financial responsibilities have completed or have been scheduled for appropriate training and briefings:

a. Complete listing of all positions involving Class B and C finance duties was obtained from the area divisions; this listing was later coordinated with the Office of Finance for purposes of verifying the listing.

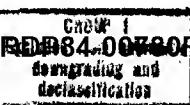
b. Each area division has been asked to include a statement on Form 259a (which is submitted to OP/SAS for Overseas Panel approval via CSPS) indicating the completed or scheduled finance training when an employee's proposed assignment encompasses finance duties. CSPS maintains an overall listing of such positions as an additional check on division certifications.

c. The Medical Office receives a copy of Form 259a for purposes of scheduling the overseas medical examination. The Psychiatric Staff has agreed to give a special review to those employees who will have finance responsibilities. Such special review is now given on a regular basis to all employees whose Form 259a indicates future finance duties.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R002100170004-9

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Approved For Release 2003/04/29 : CIA-RDP84-00780R002100170004-9

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Approved For Release 2003/04/29 : CIA-RDP84-00780R002100170004-9

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DDK 68. 3724

19 JUL 1968

MEMORANDUM FOR: Assistant Deputy Director for Support

SUBJECT : Establishment of a CIA Travel Policy Committee

Jack:

Per your request we have drafted a proposed Agency Notice (attached) on this subject. The following comments and suggestions are offered for your further consideration:

1. About 90 percent of travel regulatory issuances occur as a result of changes in law, Standardized Travel Regulations, Foreign Service Travel Regulations, Joint Military Travel Regulations, or Comptroller General Decisions, and generally only relatively minor substantive adaptations are required to convert these "standardized" changes to Agency regulatory issuances. I believe that many of the inconsistencies, misunderstandings, and uncertainties concerning travel entitlements are directly or indirectly traceable to the long delays involved in coordinating and issuing regulatory changes. The present coordination process is too time consuming, and too involved with "word tinkering", semantics, and arguments over nuances and shades of meaning, rather than a speedy objective review of the substantive policy issues, if any, involved. In the estimated 10 percent of cases where Agency policy issues are involved the present coordination process tends to obscure and confuse these issues and delay their being brought to the proper level for resolution. It would appear that some system or mechanism for a responsible but speedy coordination of travel regulatory issuances is the key to solving many of the problems pertaining to travel. I believe that a Travel Policy Committee with the responsibilities and authorities outlined in the attached draft notice might prove an effective mechanism in dealing with this particular difficulty as well as related travel problems.

2. You will note that the attached draft notice gives authority to individual Committee members to represent their respective Directorates in coordinating on regulatory issuances. It also makes

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-2-

the Committee responsible for analyzing, reviewing, advising, the DD/S, etc., but reserves "approval" to the DD/S. I believe it is desirable for the DD/S to reserve final approval to himself rather than delegate such authority to the Committee, since the formulation and administration of travel regulations is an inherent part of his line responsibilities. This does not, of course, preclude his delegating his approval authority to a senior member of his staff, and that individual could also be Chairman of the Committee. I would think it preferable, however, to delegate such approval authority to an individual on the DD/S staff, rather than to the Committee as a body.

3. An important consideration in staffing the Travel Policy Committee is the selection of key individuals who have access to the Deputy Directors concerned, so that policy issues that do arise can be authoritatively and speedily resolved.

4. I have suggested that a representative of the Office of Finance be designated as Secretary to the Committee since, as I visualize it, most of the paper work involved would originate in, or be prepared by the Office of Finance.

5. With respect to appeals and adjudication of disputed claims, I believe the Committee could serve a useful function in screening such cases, (Provision might also be made to require all appeal cases to be made in writing to the Committee) to insure that all pertinent facts were disclosed, and recommending equitable and consistent solutions to the DD/S respecting the adjudication or rejection of such claims.

6. I will be glad to meet with you for more detailed discussions at your convenience.



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 L. E. BUSH
Director of Finance

Attachment

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ORGANIZATION

[redacted]
August 1968

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ESTABLISHMENT OF A CIA TRAVEL POLICY COMMITTEE

1. GENERAL

Effective _____ August 1968 there is established a CIA Travel Policy Committee to advise and assist the Deputy Director for Support in connection with the timely review and adoption of Agency travel policies, the coordination and promulgation of travel regulations, and the review and adjudication of disputed travel claims.

2. RESPONSIBILITIES

The Committee will be responsible for:

a. Generating recommendations for changes, and evaluating changes recommended by others, of Agency travel policies, regulations and practices from the standpoint of legality, equity, economy, administrative feasibility, and consistency of application.

b. Ensuring that Agency travel regulations and practices are in accordance with applicable laws and with officially authorized interpretations thereof, and that appropriate changes in regulations are coordinated and issued on a timely basis.

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-2-

ORGANIZATION

[redacted]

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August 1968

- c. Analyzing Agency travel policies with a view to improving efficiency, reducing costs, and ensuring equity and consistency in the application of travel policies and regulations.
- d. Reviewing disputed or appealed travel claims and making recommendations to the Deputy Director for Support respecting the validity and equitable settlement of such claims.
- e. Ensuring that the Deputy Director for Support and other senior officials as appropriate, are provided with timely authoritative advice respecting travel policies, problems, and practices.

3. AUTHORITIES

Each member of the Committee will be delegated authority by the appropriate Deputy Director to represent that Directorate in connection with the formulation of travel policy, and will be authorized to coordinate for and on behalf of his respective Directorate on all regulatory issuances pertaining to travel.

4. COMPOSITION OF COMMITTEE

The Committee will be composed of:

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Excluded from automatic

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ORGANIZATION

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August 1968

A Senior Officer designated by DD/S - Chairman

A Senior Officer designated by DD/P - Member

A Senior Officer designated by DD/I - Member

A Senior Officer designated by DD/S&T - Member

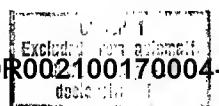
A Representative of the Office of General Counsel - Member

A Representative of the Office of Finance - Advisor & Secretary

Representatives of the Offices of Personnel and Security, and the Central Cover Staff, DD/P, will be called upon to act as Advisors to the Committee, as required. The Committee will meet as often as necessary at the call of the Chairman.

R. L. BANNERMAN
Deputy Director
for Support

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Approved	For Release 2003/04/29	DATE	CIA-RDP84-00780R002100170004-9
		24 September 1968	
TO: Mr. Bannerman			
ROOM NO.	BUILDING		
REMARKS:			

Recommend your signature

on the attached status report memo.

He proceeded most of the
info. He has read & agrees
the paper - which I hope
is the last one of survey.
JWC

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